



July 28, 2006

The Honorable A.G. Kawamura, Secretary
California Department of Food and Agriculture
1220 N Street
Sacramento, CA 95814-5607

Mailing Address:

P.O. Box 6264
Salinas, California
93912

Dear Secretary Kawamura:

The Agriculture and Land-Based Training Association (ALBA) is pleased to have been part of the verbal testimony at the Farm Bill Listening Session in Salinas on July 6. Enclosed is written testimony for consideration by CDFA as it prepares a California perspective on the Farm Bill.

*Rural Development
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Recently and over the next few months, ALBA will be involving beginning, immigrant farmers in policy education and activities related to the Farm Bill. For example, earlier this month a local Latino beginning farmer joined me in Washington, DC to participate in a meeting of the USDA Farm Service Agency's Beginning Farmer and Rancher Advisory Committee. We also had numerous meetings with various offices of California's congressional delegation. We look forward to more involvement in the near future.

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The attached testimony focuses on the needs of beginning and immigrant farmers, creating new market opportunities for California farmers, and the need to generate more fairness and balance in the allocation of Farm Bill resources. Please call anytime with questions or suggestions regarding the following testimony or our work to assist beginning farmers.

Thank you for your consideration of ALBA's perspective as your agency prepares for the upcoming Farm Bill debate.

ALBA Organics

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Sincerely,

Brett Melone
Executive Director

Enclosure

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2007 Farm Bill – A California Perspective

Testimony submitted by the
Agriculture and Land-Based Training Association (ALBA)
Salinas, California

July 20, 2006

Introduction

The Agriculture and Land-Based Training Association (ALBA – meaning “dawn” in Spanish) is a non-profit organization that generates economic opportunities for low-income people by developing small farm businesses. Our mission is to advance economic viability, social equity and ecological land management among limited-resource and aspiring farmers.

ALBA incubates small farm enterprises providing opportunities for traditionally underserved people, including farm workers in the Central Coast region. More than 500 people have participated in our educational programs, and dozens of small farms have been established as a result. ALBA owns and operates two organic farms in Monterey County, on which 25 beginning and limited-resource farmers are operating small farm enterprises in 2006. Nearly all participants are immigrants, including eight women farmers, and their combined gross sales are estimated to exceed \$1.5 million annually.

Testimony for Consideration by the California Department of Food and Agriculture

California’s urban regions share the state with many rural areas that are the basis for the much of California agriculture. Urban centers create major opportunities for people working in agricultural and rural communities. In 2005, USDA Rural Development invested \$344 million in rural housing and economic development funds in rural California – a major resource resulting from the Farm Bill. *Food and Farming* believes that these and other federal resources offer important opportunities for small- and medium-scale farmers practicing sustainable and organic agriculture.

Rural development resources can, in particular, foster success among new farmers, including growing numbers of immigrant farmers, while creating more diverse markets for the products of sustainable agriculture. Growing ethnic diversity in both urban and rural areas is an opportunity to generate food-based entrepreneurship and small-farm success throughout California. However, for these new markets to thrive, there must also be safeguards assuring fair competition in the marketplace, and new avenues for small-scale farmers to reach local and regional markets in the state.

Ethnic Diversity and Growing Demand for Farm Opportunities

Ethnic diversity in agriculture is growing quickly. The number of Latino farmers in California increased 44% from 1997 to 2002. Coupled with 50% growth in the same period nationwide,

they are the fastest growing agricultural demographic. From 2002 to 2004 in Fresno County, sales of “oriental vegetables,” grown by many Southeast Asian immigrant farmers, more than doubled from \$7.3 to \$15.8 million. The need to support beginning and ethnically diverse farmers is critical: the number of entry-level farmers replacing retiring farmers has decreased 30% in the past 15 years. Resources to support new farmers and immigrant farmers include:

- ***Beginning Farmer and Rancher Development Program*** This program would offer farm credit financing programs specifically to beginning farmers and ranchers. It was authorized in Section 7405 of the 2002 Farm Bill, but it never received any appropriation of funds. It should be reauthorized with \$15 million in mandatory funding for the 2007 Farm Bill to support a new generation of beginning farmers.
- ***Section 2501 Outreach and Assistance to Socially Disadvantaged Farmers and Ranchers Program*** The 2501 program has provided outreach to more than 100,000 rural constituents and is an invaluable resource for more than 400 counties, including major efforts among Hmong and Latino farmers in California. Though the program is authorized in the 2002 Farm Bill at \$25 million, it has never been given more than \$6 million a year. Strong demand indicates that at least \$10 million is needed.
- ***The Appropriate Technology Transfer for Rural Areas (ATTRA) Program*** needs to be funded at \$5 million. This program, which has served more than 100,000 rural constituents, helps small and minority farmers access USDA’s credit, commodity, conservation and other programs. It develops and shares information on farm management, production, and marketing assistance to minority producers through community-based organizations.
- ***Individual Develop Accounts (IDAs)*** California leads the nation in using IDAs to support beginning farmers’ ability to build assets for starting farm enterprises. It is a matched savings program used nationwide, especially for home ownership, but California is the first place using IDAs for farm ownership. California FarmLink has helped several beginning farmers with IDA accounts, including organic farmers at the Agriculture and Land-Based Training Association (ALBA). The Farm Bill should include a new Beginning Farmer and Rancher IDA program to help people with modest means to enter farming.

Market Opportunities to Strengthen California Agriculture and Rural Communities

Growing markets for the products of sustainable agriculture offer vast opportunities for entrepreneurial food processing and marketing. Developing resilient local food systems will depend on community-based enterprises that can be generated by the USDA resources, including:

- ***Value-Added Producer Grant Program*** By helping farmers to plan new business ventures, this program creates new markets that can leverage the development of local food systems. For example, the Community Alliance with Family Farmers (CAFF) received value-added funding to create regional farm-to-school initiatives by helping small farmers consolidate fresh produce to reach institutional markets. The program has been authorized at \$40 million annually, and should be made mandatory funding at the same level in the 2007 Farm Bill.

- ***Rural Business Enterprise / Rural Business Opportunity Grants*** Both are relatively small programs, delivering a combined \$1.9 million to rural California in 2005, but they represent important resources for entrepreneurship. In particular the Rural Business Enterprise Grants program should clearly state that it can be used for agriculturally related business targeting the needs of small- and medium-sized farmers. The next Farm Bill should provide financial support for these programs at levels equal to or greater than those authorized by the 2002 Farm Bill.

Creating a Level Playing Field for California Agriculture

There is a long-term and increasingly acute need to address commodity program payments in the 2007 Farm Bill. For more than 20 years, family farm advocates have repeatedly demonstrated how federal price support for the major commodity crops have benefited and protected large-scale farms while limiting opportunities for beginning and small- and medium-sized farms. In addition, recent studies demonstrating strikingly disproportionate payments to large farms and even non-farmers, combined with federal budget concerns, makes this Farm Bill a major opportunity to reform commodity program payments that traditionally favor commodity crops over the hundreds of specialty crops grown in California.

Moreover, sales of organic meat, poultry and seafood grew by 139% from 2003 to 2004, and consumers' desire to buy local and healthful foods is expected to expand markets for small-scale, grass-fed livestock production. Population growth among immigrant and ethnic groups in California is increasing demand for products such as goat meat, and for specialty processing or cuts known in their countries of origin. There are three Farm Bill initiatives that can support greater opportunities for farmers in California:

- ***Commodity Program Reform*** There are clear steps available to balance opportunity in agriculture: 1) limit federal commodity program payments to no more than \$250,000 per single farm, and 2) close the "two-farm loophole" that allows individuals and corporations to receive double payments. Public polling in 2005 demonstrated that even in states like Iowa, Kansas, and Minnesota, about 2/3 of voters support federal payment limitations. The vast majority of California agriculture can benefit from national commodity payment reforms.
- ***Competition Title*** The next Farm Bill should include a competition title that helps restore fairness and efficiency to market forces, particularly livestock markets, through strengthened and improved enforcement of the Packers and Stockyards Act and other measures. This can be particularly important for small-scale livestock producers seeking avenues to sell their products locally and regionally.
- ***Reduce Regulatory Barriers for Local Meat Processing*** There is an acute need to reduce regulations that impede the development of local and regional markets for meat products. Farm Bill action on this topic could support the further development of grass-fed meats, organic livestock production and other strategies that support the integration of small- and medium-scale integrated livestock and crop farming systems in California.